

DATE: May 29, 2001

TO: Applicants

FROM: Office of Procurement and Grants Management (“OPGM”)

SUBJECT: Program Announcement No. PRIME 01-3, Program for Investment in Microenterprise Act, (“PRIME”) for Research and Development of Best Practices in the Field Microenterprise and Technical Assistance to Disadvantaged Entrepreneurs.

The U.S. Small Business Administration plans to issue Federal grants awards to qualified organizations under PRIME to provide research and development in the field of microenterprise and technical assistance programs to disadvantaged entrepreneurs. These organizations include: non-profit microenterprise development organizations or programs; intermediaries (as defined); other microenterprise development organizations or programs (as defined) that are accountable to a local community, working in conjunction with a State or local government or Indian tribe; or Indian tribes acting on their own, with proper certification that no other qualified organization exists within their jurisdiction.

You are invited to submit an application, an original and two (2) copies, in response to Program Announcement No. PRIME 01-3. You are required to bind the cost proposal and technical proposal separately. Prepare the technical and cost proposals in single-spaced 12-pt. font format, not to exceed 45 pages including exhibits and appendices. The Government will not return proposals, but will retain them for a limited period of time. The closing date for the program announcement is June 28, 2001, 4:00 P.M., Eastern Standard Time. Address your applications/proposal to the U.S. Small Business Administration, Office of Procurement & Grants Management (OPGM), 409 3rd Street, SW, 5th Floor, Washington, DC 20416, Attention: Mina Bookhard, Agreement Officer. If hand carried, deliver the application/proposal to Mina Bookhard, or her designee, at the above address. Deliveries to other locations will be considered late if not received in OPGM at the U.S. Small Business Administration by 4:00 p.m. on June 28, 2001. Please place the following notation in the lower left corner of the sealed envelope or package:

THIS IS A SEALED OFFER. DO NOT OPEN. STAMP THE DATE AND TIME RECEIVED ON THE ENVELOPE. THE ENCLOSED APPLICATION IS IN RESPONSE TO PROGRAM ANNOUNCEMENT NUMBER PRIME 01-3, DUE June 28, 2001 AT 4:00 P.M., Eastern Standard Time, AT SBA’s OFFICE OF PROCUREMENT & GRANTS MANAGEMENT.

Applicants will be required to meet the standards for financial management systems as prescribed in the Office of Management and Budget’s (“OMB”) Circular A-110, Subpart C, sections .21 through .28, and 13 C.F.R. Part 143.

Questions concerning this program announcement should be directed to Warren Boyd at (202) 205-7534. Questions about budget or funding matters should be directed to Mina Bookhard, at (202) 205-7080.

Sincerely,

Sharon Gurley
Director
Office of Procurement
and Grants Management

OFFICE OF FINANCIAL ASSISTANCE

PROGRAM ANNOUNCEMENT

PROGRAM FOR INVESTMENT IN MICROENTREPRENEURS

ACT, ("PRIME")

TO RESEARCH AND DEVELOP BEST PRACTICES IN THE FIELD OF
MICROENTERPRISE AND TECHNICAL ASSISTANCE PROGRAMS TO
DISADVANTAGED ENTREPRENEURS

FISCAL YEAR 2001

U.S. SMALL BUSINESS ADMINISTRATION

OFFICE OF FINANCIAL ASSISTANCE

OPENING DATE: May 29, 2001

CLOSING DATE: June 28, 2001

ANNOUNCEMENT NO: **PRIME 01-3**

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I. LEGISLATION PURPOSE

The Program for Investment in Microentrepreneurs Act of 1999 (P.L. 106-102) became law on November 12, 1999. 15 U.S.C. § 6901 et seq. (“PRIME” or “the Act”). The Act authorizes the Administrator of the U.S. Small Business Administration (“SBA”) to establish a microenterprise training and technical assistance program for disadvantaged microentrepreneurs and to provide training and capacity building grant program to microenterprise development organizations (“MDOs”). Additionally, the Act authorizes research and development of best practices for microenterprise development and technical assistance programs for disadvantaged entrepreneurs and other activities as the Administrator of SBA determines are consistent with the Act.

PRIME has several purposes for which SBA will issue separate program announcements soliciting applications geared toward a particular legislative purpose.

Program Announcements called for under the Act solicit, from eligible organizations, applications for grant funding to be used to carry out the purposes of the Act as follows:

Program Announcement No. PRIME 01-1 calls for applications from qualified organizations wishing to obtain grant funding for the purpose of providing training and technical assistance programs for disadvantaged microentrepreneurs.

Program Announcement No. PRIME 01-2 calls for applications from qualified organizations wishing to obtain grant funding for the purpose of providing training and capacity building services to microenterprise development organizations and programs and groups of such organizations to assist them in developing microenterprise training and services.

Program Announcement No. PRIME 01-3 calls for applications from qualified organizations wishing to obtain grant funding for the purpose of pursuing research and developing best practices in the field of microenterprise and technical assistance programs for disadvantaged microentrepreneurs.

The purpose of this Program Announcement No. PRIME 01-3, is to solicit applications from eligible organizations wishing to obtain grant funding for the purpose of conducting research development of microenterprise development best practices. Specifically, PRIME-01-3 solicits proposals from qualified organizations wishing to obtain grant funding for the purpose of researching and developing best practices in the field of microenterprise and technical assistance programs for disadvantaged microentrepreneurs.

Grants will be awarded subject to the availability of funds. And, no single entity will receive a grant in excess of \$250,000 or 10% of the total amount appropriated, whichever is less.

II. INTRODUCTION

Congress recognized that many disadvantaged microentrepreneurs lack sufficient training and education to gain access to capital to establish and expand their own small businesses. It enacted PRIME to augment training and technical assistance under the Small Business Act and other legislation, and to foster research and development of best practices in microenterprise and technical assistance to disadvantaged microentrepreneurs to further advance programs to the disadvantaged microentrepreneurs and further advance the microenterprise industry.

Many low-income and very low-income entrepreneurs need training and technical assistance to start, operate, or expand their businesses. In order to achieve measurable success in the effort to providing direct training and technical assistance to low- and very low-income individuals, PRIME will award grants for the research and development of best practices in the delivery of services to disadvantaged microentrepreneurs.

For every business started or microloan made, a number of entrepreneurs are preparing themselves for business start. A generally accepted assumption in the microenterprise industry is that it takes approximately 10 potential microentrepreneurs for every microenterprise started or microloan booked. The cost of training is substantial because those at the entry-level stage of development typically require the greatest amount of dedicated advice and guidance, over an extended period of time, to achieve the highest rates of success. Funding is scarce relative to the need. The microenterprise industry has found the technical assistance-funding gap to be a nationwide condition, particularly in the very low-income sector.

The Program for Investment in Microentrepreneurs (“PRIME”) authorizes SBA to make grants to fund research and development of “best practices.” The microenterprise development industry has reached a stage of development that can produce, and will benefit from, substantive research that captures the best practices in this area. The program requires that grantees match a portion of the SBA’s funds with funds from other sources.

III. PROGRAM OVERVIEW

1. Project Name: Program for Investment in Microentrepreneurs (“PRIME”).
2. Purpose: Aid in researching and developing best practices in the field of microenterprise and technical assistance programs for disadvantaged microentrepreneurs.
3. Federal Catalog Number: 59.049.
4. Authority: The Program for Investment in Microentrepreneurs Act of 1999, “PRIME”, P.L.106-102, 15 U.S.C. §6901 et. seq.

5. Funding Instrument: Grant.
6. Funding: Funding is subject to the availability of funds and the requirements enumerated under the Act.
7. Funding Range: Award amounts may vary, depending upon availability of funds (and performance for option years); however, no single **grantee** may receive more than \$250,000 or ten (10) percent of the total funds made available for this program in a single fiscal year, whichever is less. In general, match is required, although SBA may reduce or eliminate the required match in certain circumstances (up to a program limit of 10 percent).
8. Number of Awards: SBA anticipates issuing multiple awards under this Announcement. The number may vary, based on the needs of the pool of qualified applicants received and the amount of available funds.
9. Targeted assistance: A minimum of 50% of the funds available for grants under the PRIME Act must be used to benefit very low-income persons (as defined in this document), including those residing on Indian reservations.
10. Closing Time and Date for the Submission of Applications: June 28, 2001 at 4:00 P.M. Eastern Daylight Time.
11. Project Starting Date: 90 to 120 days after the closing date of the application(estimated).
12. Project Duration: The period performance for this grant is one base year with four (4) twelve-month options subject to availability of funds. The total possible period of performance is five years. Each option year will constitute a separate budget period. The project recipient's satisfactory performance will be one of the key factors in determining the award of an option year. Failure to secure the required annual non-Federal contribution during any project year may jeopardize continued option year funding.
13. Proposal Evaluation: Applications will first be screened to determine if the applicant meets certain mandatory eligibility requirements. Applicants that do not document in their application that they meet these requirements will not be evaluated by SBA for participation in the PRIME Program. In addition, applications that are incomplete, illegible, or unreadable, in whole or in part, will be deemed incomplete and will not be evaluated.

Eligible proposals will be scored by an Objective Review Committee (“ORC”) based on evaluation criteria stated in this program announcement. The ORC will consist of SBA officials and may include Federal Officials from other agencies.

Microenterprise Development Branch staff will review the ORC evaluations, the ORC’s summary report on each applicant, and the applicant’s proposals to determine

the final scoring of award recipients. SBA may ask applicants for clarification on the technical and cost aspects of the proposals. Such clarifications must not be construed as a commitment to fund the proposed effort.

14. Points of Contact: Questions concerning the technical aspects of this Program Announcement should be directed to the Microenterprise Development Branch at (202) 205-7534. However, due to the competitive process, SBA will be unable to assist with answers to specific questions regarding individual proposals or requests for assistance in completing proposals.

Questions concerning budget or funding of this Grant should be directed to Mina Bookhard at (202) 205-7080.

15. Award Notification: All applicants will receive a written notification relative to selection of award recipients. This written notice will be SBA's final response to this program announcement. **SBA will not provide debriefing sessions if your proposal was not successful.**

16. Cancellation: SBA reserves the right to cancel this Program Announcement in whole or in part at the Agency's discretion.

IV. ELIGIBLE APPLICANTS FOR THIS GRANT

An organization will be considered eligible for funding for research and development of best practices in the field of microenterprise and technical assistance programs for disadvantaged microentrepreneurs if it **is**:

1. A microenterprise development organization or program (or group or collaborative thereof) that has a demonstrated record of delivering microenterprise services to disadvantaged entrepreneurs, OR
2. An intermediary (as defined in this document) which has experience in delivering technical assistance to disadvantaged entrepreneurs, OR
3. A microenterprise development organization or program (as defined in this document) that is accountable to a local community, working in conjunction with a State or local government or Indian tribe, OR
4. An Indian tribe acting on its own, if the Indian tribe can certify that no private organization or program referred to in this paragraph exists within its jurisdiction.

An eligible applicant for the PRIME research and development grant must provide documentation in its application that it falls within one of the above categories of qualified organizations. Such documentation should include but is not limited to:

1. A copy of your organization's IRS tax-exempt certificate including the IRS code under which your organization is considered non-profit;

2. Certification by your Secretary of State that your organization is legally allowed to do business in the State and a copy of your organization's articles of incorporation and by-laws;
3. For category 4 in the preceding paragraph, written certification from a duly authorized person that no other qualified organization (i.e. private organization or program as defined in categories 1-3 above) exists within its jurisdiction; and
4. Financial statements for the past 3 years. If your organization has been in business for less than 3 years provide your year end financial statements for those years completed and a financial statement not less than 90 days old.

SBA will not evaluate applications that do not meet these requirements. SBA may not screen applicants for eligibility until after the Closing Date for application acceptance. SBA will attempt to notify applicants of ineligible proposals as soon as practicable. However, SBA is under no obligation to notify ineligible applicants before the Closing Date for the acceptance of applications under this Program Announcement. SBA strongly urges all applicants to ensure all eligibility requirements are met and documented before sending an application to SBA.

V. INELIGIBLE APPLICANTS FOR THIS GRANT

The following applicants will automatically be considered ineligible and their applications will not be evaluated:

1. Any organization with an unresolved audit by any Federal agency.
2. Any organization suspended, **debarred, or otherwise excluded** from any Federal agency non-procurement or procurement programs.
3. Any organization which has defaulted on an obligation to the United States.

VI. GENERAL INFORMATION

1. Definitions

Throughout this program announcement specific terminology may be used, as defined in the Act and the accompanying **final** rule (13 CFR part 119). The definitions are contained in a glossary of terms located at the end of this document in Section XV.

2. Collaborative Applications

- a. If you participate in a collaborative (as defined in this document), all entities who are party to the collaborative must separately meet the statutory requirements and eligibility requirements in order to apply as a collaborative.
- b. Applications from collaboratives must name the primary liaison with the Federal government, and include a copy of the collaborative agreement

outlining responsibilities of each partner organization. An authorized signature from each organization must appear on the agreement. The primary liaison will be responsible for coordinated reporting and requests for funding.

3. Program Income

All program income as defined in OMB Circular A-110, and OMB A-122 shall be reported on financial reports submitted to SBA and added to funds committed to the project by SBA and recipient organizations. Program income may only be used to further eligible program objectives **or must be returned to the Federal Government.**

4. Cost Principles.

a. General: All costs approved for a successful applicant must meet the tests of necessity, reasonableness, allowability and allocability in accordance with the cost principles applicable to this award. All proposed costs are subject to pre-award audit. Grantees are responsible to ensure proper management and financial accountability of Federal funds to preclude future cost disallowances. Payment will be made by reimbursement or advance payments as described in the grant award document and applicable OMB Circulars.

b. Carryover Policy: The grantee may request approval to use unexpended funds in the next budget period. This is permissible if funds are to be used for a non-severable, non-recurring project or activity within the scope of the PRIME program. Non-severable means a project in its entirety that cannot be subdivided. The request for using unexpended funds in the next budget period must include the following:

- (1) SF 424, budget pages, and justification;
- (2) Explanation of why the funds were not expended during the period in which they were awarded; and
- (3) Evidence of match. The match requirement for funds carried over to the next budget period can be met by using any excess of matching funds from the current budget period, new matching funds, or a combination of both.

The request must be made no later than 60 days before the end of the budget/project period or the de-obligation process will begin. Approved requests will require the issuance of a revised Notice of Award. Expenditures for funds carried over to the next budget period must be tracked separately.

c. Extensions: In the final year of a project, grantees may apply to extend the expiration date of a grant if additional time beyond the established expiration date is required to assure adequate completion of the original scope of work within the funds already made available. For this purpose, the grantee may make an extension request for a one-time, no cost extension, not to exceed 12 months, prior to the established expiration date. Written notification of such an extension with the supporting reasons, must be received by the SBA Grant Officer at least 60 days prior to the expiration of the award. SBA reserves the right to disapprove

the extension if the requirements set forth in OMB Circular A-110, paragraph 25(e)(2) are not met or if the extension is not in the best interests of SBA.

5. Publications/Websites

Any publications or websites developed under this grant must be submitted to SBA for prior review and approval. SBA will have an unlimited license to use data and written materials generated under this grant award, whether or not the materials are copyrighted. Any publications resulting from this project must include the following acknowledgement of support, whether copyrighted or not, in legible, easily readable print:

“This grant is partially funded by the U.S. Small Business Administration. SBA’s funding is not an endorsement of any products, opinions, or services. All SBA funded programs are extended to the public on a nondiscriminatory basis.”

The grant recipient may not use the U. S. Small Business Administration name or logo for the endorsement of any services, products, or merchandise under this award.

The SBA logo may appear on prominent webpages of Internet sites that are related to this project, but must appear with the above disclaimer in legible, easily readable print and acknowledgement of support in close physical proximity (within 2 inches) next to it.

6. Reports

a. General Reporting:

The selected grantees will be required to submit the reports as outlined below. Participants must agree to cooperate with SBA in the collection and retention of data required by this agency. Your ability to meet reporting requirements must be addressed in the Technical Proposal.

Payments may be withheld if reports are not submitted within the required time frame or if the quality of reports is considered inadequate.

b. Performance Reports:

Quarterly performance reports, unless otherwise specified, must contain a summary of activity for the reporting period using the following format:

1. A comparison of actual accomplishments to the estimated milestones established in the proposal and/or subsequent grant agreement.
2. A discussion of accomplished milestones and reasons for slippage in those cases where milestones are not met. Where milestones were not met, a plan of action must be provided to overcome these slippages or a detailed statement of how the project will be improved if the milestones are revised.
3. Information relating to actual financial expenditures of budgeted cost categories versus the estimated budget award, including an explanation of all cost overruns, if any, by budgeted cost category. Financial data furnished in

this report is from a manager's standpoint and is in addition to that furnished in the financial reports cited below.

4. Any other pertinent information, including any significant accomplishments or met milestones of special significance. The report should include items which may be determined appropriate by SBA after acceptance of the grant proposal but which cannot be pre-determined due to the undetermined special purpose of the grant at the writing of this document.

Quarterly reports will be due no later than:

- a) January 31 for the period ending December 31,
- b) April 31 for the period ending March 31,
- c) July 31 for the period ending June 30, and
- d) October 31 for the period ending September 30.

c. Financial Reports

1. Financial Status Report Forms must be submitted every quarter with the performance reports. Reports must include the SF 269, Financial Status Report, and the SF 272, Federal Cash Transactions Report.
2. The year-end report must include a cost breakdown of actual expenditures and costs incurred by line item. Participants will also be required to submit the SBA Form 2069, Detailed Actual Expenditures for Period Covered by Request, with the final SF 269.
3. In addition, grantees will be required to submit audited annual financial statements, if available, or annual financial statements prepared by a licensed, independent public accountant, within 120 days of the end of the grantee's fiscal year period.

SBA may withhold payment of advances or reimbursements if reports are not received or are regarded as inadequate.

SBA may, at its discretion, reduce reporting requirements to semi-annually as it deems appropriate. SBA will notify participants if it decides to take such action.

7. Match Requirements

In general, funds awarded under the PRIME Program will require a non-Federal match of not less than 50% of each dollar awarded. Matching funds may come from fees, non-Federal grants, gifts, funds from loan sources, and in-kind resources.

Exception: In the case of an applicant with severe constraints on available sources of matching funds, SBA may reduce or eliminate the 50% match requirement on a case by case basis. Any reductions or eliminations must not exceed 10% of the aggregate of all PRIME grant funds made available by SBA in any fiscal year. Organizations seeking to receive a reduction or elimination of the matching fund requirement must include such a request with their proposal, and include justification and supporting documentation for their request. **The request must include, but is not limited to:**

- **The cause and extent of the constraints on the historical and projected ability to raise matching funds as demonstrated by financial statements and letters of rejection from previous funders and potential new funding sources;**

- Evidence of efforts to raise match specific to the subject application, including negative responses, and
- Based on those efforts, a list of any matching funds expected for the PRIME grant.

Submission of a request will not automatically guarantee that an exception, in whole or in part, will be granted. Rather, it will alert SBA to the applicant's desire to receive an exception. In addition, section 119.8 of the rule governing this program provides further information regarding requests for waivers. Pursuant to that section, any applicant requesting a waiver is implying that, but for the waiver, the proposed programming will not be possible at the levels requested.

8. Fundraising Not Allowable Expense

Expenditures for fundraising activities are not allowable costs under this grant. Applicants must be able to raise matching funds without the assistance of grant funds. The applicant must demonstrate that it has adequate community based fundraising resources to obtain required non-Federal matching funds to perform the project.

9. Subgrants

An organization selected to receive a grant under the PRIME Program may provide subgrants to qualified small microenterprise development organizations. Applicants wishing to provide sub-grants as a part of their implementation plan should include detailed information regarding same in their Technical Proposal.

An applicant that wants to make subgrants using PRIME grant funds must receive written approval from SBA prior to making subgrants. The applicant must identify the subgrantee(s) and describe in detail what the subgrantee(s) will do to help the grantee implement its proposal.

An applicant must submit information to SBA demonstrating that the subgrantee(s) will:

- (1) further the goals of the grantee's research and development project, or
- (2) provide necessary services to the grantee that grantee otherwise would not be able to obtain.

If an applicant has identified potential subgrantee(s) at the time it submits an application for a PRIME grant, the applicant must include the information requested in the paragraph above in the application. Otherwise, the applicant or grantee may submit the requested information at such time that approvals for subgrantee(s) are requested.

The total amount of monies subgranted by the grantee must not exceed 50% of the total amount of the PRIME grant. A maximum of 7.5% of the funds awarded may be used by the grantee for administrative expenses in connection with the making of subgrants.

10. Subcontracts

Any and all subcontracts awarded under this grant must be approved by SBA in advance and in writing and must not exceed 50% of the total amount of the PRIME grant.

11. Prohibition on Preferential Consideration of Certain SBA Program Participants

In making grants under this Program Announcement, SBA will not give preferential consideration to an applicant that is a participant in programs established under section 7(m), or any other section of the Small Business Act or the Small Business Investment Act.

VII. OMB UNIFORM ADMINISTRATIVE REQUIREMENTS AND COST PRINCIPLES

The PRIME Grant Notice of Award incorporates by reference all applicable OMB Circulars, including:

1. OMB Circular A-21, “Cost Principles for Educational Institutions,” containing cost principles for educational institutions;
2. OMB Circular A-87 “Cost Principles for State, Local, and Indian Tribal Governments,” containing cost principles for State, local governments, and federally recognized Indian tribal governments.
3. OMB Circular A-110, “Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations,” containing administrative requirements;
4. OMB Circular A-122, “Cost Principles for Non-Profit Organizations,” containing cost principles for non-profits; and
5. OMB Circular A-133, “Audits of States, Local Governments, and Non-Profit Organizations,” concerning audits.

Current versions of OMB Circulars are available from the Office of Management and Budget’s website. The address is:

www.whitehouse.gov/WH/EOP/OMB/html/circular.html.

VIII. PROPOSAL INSTRUCTIONS AND EVALUATION CRITERIA

The technical and cost proposals must be bound separately. The technical proposal must be single-spaced and not exceed 45 pages, excluding exhibits and appendices. Prepare your proposal using the following outline.

1. APPLICATION FORMAT

A. Technical Proposal

Section 1. Eligibility Requirements (not to exceed 5 pages, excluding documentation)

In this section the applicant must prove that it falls within one of the four categories of qualified organizations. (See Section IV)

Applicants are reminded to include documentation of the mandatory eligibility requirements in their technical narrative. Failure to provide the mandatory eligibility documentation will result in disqualification of the application, and the application will not be evaluated. In addition, incomplete or illegible (in whole or in part) applications will not be evaluated.

Section 2. Applicant Experience (not to exceed 15 pages)

Applicant experience includes information regarding current and past performance in conducting research and development activities particularly as such activities relate to the improvement of technical assistance to disadvantaged entrepreneurs (as defined in this document).

Previous work in the development of best practices in the field of microenterprise development should be noted in discussions of experience.

In this section, the applicant should discuss the items delineated below. To the extent possible, the applicant should provide internal statistical data to document its past experience and illustrate current activities.

1. Illustrate an understanding of the microenterprise industry, the microentrepreneurial community, the perceived needs of disadvantaged entrepreneurs.
2. Enumerate and summarize your organization's current and historical research and development activity as it relates to microenterprise development and provision of technical assistance (particularly to disadvantaged entrepreneurs).
3. Provide a list of grants and or contracts similar in scope to the grant for which you are applying. Specifically provide the name, if any, of any Federal or non-Federal, agency(ies) or private sector foundations or organizations providing funding, the grant or contract number, a short summary of services provided under each grant, and the period(s) of performance. Include in each summary the name and contact information (phone number and E-mail address) of the person providing oversight on each grant or contract. Also include abstracts of research and development activities conducted during the past five years, particularly in the field of microenterprise development and/or training and technical

assistance to disadvantaged entrepreneurs. The abstracts should clearly illustrate the nature and scope of the research conducted. (Limit to 8 pages)

Section 3. Institutional Capacity (not to exceed 5 pages)

This section should include the following:

1. Personnel Qualifications and Internal Structure
 - Applicants must have, or demonstrate the ability to obtain, personnel who are qualified to meet the goals of providing research and development under this grant. Provide resumes of personnel key to your organization's participation in the PRIME Program. The resumes should clearly present personnel's qualifications relative to this particular work. Special mention should be made of relevant experience. Personnel indicated must demonstrate knowledge of research and development methodologies and strategies particularly as they relate to microenterprise development issues.
 - Provide an organizational chart for all proposed full-time and part-time project staff and the amount of time each will devote to the project. The Project Director should be a full time employee; however, the Project Director does not have to be dedicated solely to this activity. The project director (and other federally funded staff positions) must not engage in fundraising activities using Federal funds provided under this grant.
 - A description of the role of subcontractors, subgrantees and/or outside consultants, that may be called upon to provide assistance with the completion of activity to be funded under this grant.
 - Delineate how the organization will manage data collection and electronic reporting to SBA and the position of the person within the organization that will be responsible for financial record keeping pertaining to the receipt and expenditure of PRIME program funding.
2. Data Collection and Statistical Information Tracking
 - Describe your organizations current data collection and management systems. If applying as a group or collaborative, describe how data management systems will be integrated for an inter-organizational uniform approach to data gathering for reporting as well as production of a final product.
 - Describe your organization's computer capacities, if any, and the software used. Indicate whether or not your organization is connected to the Internet and, if not, delineate plans to become connected. The applicant should indicate its level of willingness/ capability to report data via the Internet.

- Describe your organization's internal systems of checks and balances in terms of financial, data collection, and reporting systems. If applying as a group or collaborative, also describe the plan for inter-organizational checks and balances in terms of those systems. Also indicate which member of the group or collaborative will be responsible for coordination and submission of data and reports, and how the collaborative will ensure that this responsibility will be fully implemented.

Section 4. Program Narrative (not to exceed 15 pages)

Research and Development projects are sought in several areas of microenterprise industry development. In a broad sense, several projects are suggested below. However, proposals for projects not suggested, but inside the scope of the goals of the Act, will be accepted for consideration. In general, research should concentrate on the forward movement of the disadvantaged microenterprise development industry. The research should also focus on the development, replicability, and transferability to disadvantaged microenterprise development service providers. The underlying theme of any activities should be how the final product will enhance provision of microenterprise services to disadvantaged entrepreneurs.

Each applicant must provide the following:

1. A research proposal indicating the thesis, method(s) scope, duration, and implementation plans (if appropriate) for the final product.
2. A discussion of how the proposed research will aid in the development of best practices and what enhancements are anticipated, as a result of the proposed activity, to the delivery of microenterprise services to disadvantaged microentrepreneurs.

While not limiting the scope of proposals, SBA is interested in developing several products for general use by industry participants as follows, to meet the ultimate goal of enhancing delivery of services to disadvantaged microentrepreneurs:

- A generally accepted baseline for minimum performance as a microenterprise development organization (MDO) and a standardized method by which neophyte, or under-performing, organizations can meet that baseline performance.
- A generally accepted glossary of terms for use in the domestic microenterprise industry which should be broad based enough to avoid succinct standardization, but specific enough to provide clarity of purpose and a common language within which industry participants can communicate.
- A start-up kit for organizations considering entry into the microenterprise development field.

- A case study oriented “best practices” training manual for use by industry participants.
- Comparative studies of service delivery issues in terms of geography, population density, economic stratification, gender, or other relevant issues.

Section 5. Timeline/Milestones (not to exceed 5 pages)

In this section the applicant must include a timeline with milestones covering the 12- month grant period. Milestones should clearly illustrate the applicant’s goals for completion of the proposed project and the projected use of funds.

Section 6. Supporting Documentation

In this section the applicant should provide any necessary documentation to support its proposal, including but not limited to the following documents:

1. A statement signed by your Executive Director (or an equivalent duly authorized person), authorizing SBA to make inquiries to other Federal Agencies as to the performance capabilities of your organization.
2. A copy of your organization’s IRS tax exempt certificate including the IRS code under which your organization is considered non-profit.
3. Certification by your Secretary of State that your organization is legally allowed to do business in the State and a copy of your organization’s articles of incorporation and by-laws.
4. A copy of your organization’s financial statements for the last 3 years.
5. Résumés and reference information for personnel key to the delivery of technical assistance services to date.
6. An organizational chart, if you are applying as a group, or plan to use sub-contractors, include a second organizational chart that shows how the members of the group will interact and collaborate and/or how the sub-contractors will fit into the work flow plan.

B. Cost Proposal

The cost proposal must include the application cover sheet (SF 424), budget information, and assurances and certifications. Additional information on how to organize the proposal is provided on page 20, “Preparing Your Budget”.

2. EVALUATION FACTORS

Applications will generally be reviewed for technical merit as follows:

1. SBA will evaluate organizational structure, financial stability, financial management systems, personnel capacity, and electronic communication

capabilities (or potential for same). Additional evaluations will be made on the data collection capabilities, reporting capacities, and ability to account for performance.

2. SBA will evaluate how the research potentially will enhance microenterprise oriented technical assistance services to disadvantaged entrepreneurs. Applicants must show the method(s), scope, duration, and implementation plans of the proposed research.
3. SBA will evaluate the applicant's plan of action incorporating original and secondary research. Applicants must show impact on improved access to microenterprise development services for disadvantaged entrepreneurs, and the expected replication/transferability of the finished product to the field.

Research and development awards will be competed from a single pool of applicants. Specifically, areas of evaluation and the maximum number of points attainable under each are as follows:

- A. Institutional Capability (total of 80 points)
The following factors are considered under this criteria:
 - (1) Organizational structure, financial stability, and financial management systems (20)
 - (2) Personnel (30)
 - (3) Electronic communication, data collection, and reporting capability (30)
- B. Past performance and history of conducting similar research and development, especially related to disadvantaged microentrepreneurs (30 points)
- C. Management Plan for Proposed Research and Development including transferability and replication (total of 110 points)
The following factors are considered under this criteria:
 - (1) Proposal's potential for enhancement of microenterprise oriented technical assistance to disadvantaged entrepreneurs (30)
 - (2) Methods and scope of research (20)
 - (3) Plan of action incorporating original and secondary research (30)
 - (4) Transferability and replication of the finished product (30)

The total number of points an applicant may attain under this evaluation system is 220.

IX. OPTION YEAR FUNDING

Applicants shall prepare application cover sheets (SF Form 424) and budgets for each of **up to 5** budget periods consisting of 12 months each. Applicants are advised that the performance period for specific awards made under this announcement may consist of one base year with up to 4 twelve-month option years. The project periods may consist of up to 5 twelve-month budget periods. Each additional twelve-month budget period beyond the original base year may be exercised at the discretion of the Government. Among the factors involved in deciding whether to exercise an option are the availability

of funds, satisfactory performance of the applicant, and the determination that continued funding would be in the best interest of the Government.

X. PREPARING YOUR BUDGET

INSTRUCTIONS FOR STANDARD FORM 424 (APPLICATION FOR FEDERAL ASSISTANCE)

Standard Form 424, Application of Federal Assistance, will be found beginning at page A-1 of this announcement. This guidance supplements that contained on the reverse side of the form.

- Item 1. Self-explanatory
- Item 2. Refer to instructions on reverse of form
- Item 3. Refer to instructions on reverse of form
- Item 4. Leave Blank
- Item 5. Refer to instructions on reverse of form
- Item 6. Refer to instructions on reverse of form
- Item 7. Refer to instructions on reverse of form
- Item 8. Enter: "new"
- Item 9. Enter: "U.S. Small Business Administration"
- Item 10. Enter: 59.049 Program for Investment for Microentrepreneurs (PRIME)
- Item 11. Refer to instructions on reverse of form
- Item 12. Refer to instructions on reverse of form
- Item 13. Refer to instructions on reverse of form
- Item 14. Refer to instructions on reverse of form
- Item 15. Refer to instructions on reverse of form
- Item 16. Enter: Check "b." This program is not covered by E.O. 12372.
- Item 17. Refer to instructions on reverse of form
- Item 18. Refer to instructions on reverse of form

INSTRUCTIONS FOR STANDARD FORM 424A (BUDGET INFORMATION)

Budget information is found on pages A-1 through A-11

The budget is the applicant's estimate of the total cost of performing the project or activity for which grant support is requested. The budget is to be based upon the cost of performing the project, including Federal and private sources. All proposed costs reflected in the budget must be necessary to the project, reasonable and otherwise allowable under applicable cost principles and Agency policies. All costs must be justified and itemized by unit cost on the Budget Worksheets (p. A-3).

Section A – Budget Summary

Column (A): Enter "PRIME 01-3"

Column (B): Enter the Catalog of Federal Domestic Assistance Number 59.049

Section B – Budget Categories

Amounts entered by budget category in this section are for summary purposes only.

Itemization and justification of specific needs by budget category are to be shown under line 21, Section F.

Line 6.a. – 6.h

The budget amounts must reflect the total requirements for funds regardless of the source of funds. All amounts entered in this section are to be expressed in terms of whole dollars only after completing the requirements of Section F.

Line 6.j. Indirect costs are those costs related to the project that are not included as direct costs in a. through h.

Section C – Non-Federal Resources

Refer to instructions on reverse of form.

Section D – Forecasted Cash Needs

Refer to instructions on reverse of form.

Section E – Budget Estimates of Federal Funds Needed for Balance of the Project

Refer to instructions on reverse of form.

Section F – Other Budget Information

Line 21, Direct Charges: Identify and explain all items or categories under Section B in accordance with the instructions set forth below. The itemization must reflect the total requirements for funding from Federal and non-Federal sources. In most instances, Line 21 does not provide sufficient space to reflect all of the necessary information. Budget Worksheets are enclosed for your convenience. You may use these worksheets for the detailed budget information listed below or a reasonable facsimile; BUT each budget line item pertinent to your submission MUST ALSO be completed on the application. Please show a complete breakdown of all cost elements summarized in Section B on a separate sheet. Do not list on Line 21 any items included in the indirect expenses entered on Line 22 below.

- a. Personnel: List the name, title, salary and estimated amount of time for each employee who will be assigned to this project. Note that fees, expenses, and estimated amount of time for outside consultants should be included in f., Contractual. The estimated performance time for outside consultants is not to exceed 50 percent of the total amount of the PRIME grant. Resumes of all personnel assigned to this effort must be included in the application.
- b. Fringe Benefits: Leave blank if fringe benefits applicable to direct salaries and wages are treated as part of indirect costs in the indirect cost rate negotiation agreement. If your organization does not have a federally negotiated fringe benefit package, list each component included as a fringe benefit.
- c. Travel: Reimbursement will be made based on incurred cost. Estimates should be based on knowledge of the geographical area of small business locations. Reimbursement to contractors or volunteers will not be made for time in travel to and from the client's location. Supporting data should include numbers of trips anticipated, costs per trip per person, destinations proposed, modes of transportation, and related subsistence expenses.

Line 22 Indirect Charges:

(Attach Budget Worksheets or reasonable facsimile if sufficient space is not provided.)

Enter the indirect cost rate, date, and agency that issued rate.

If an indirect cost rate is not established, itemize elements and costs of overhead and G&A (General and Administrative) expense categories relative to the performance of this project.

XI. ASSEMBLY AND MAILING INSTRUCTIONS

1. Please indicate the following information on the front of your return envelope:
 - a. Your organization's name and return address including zip code in the upper left-hand corner of the return envelope.
 - b. Place the following notation in the lower left-hand corner of the sealed envelope.

THIS IS A SEALED OFFER. DO NOT OPEN. STAMP THE DATE AND TIME RECEIVED ON THE ENVELOPE. THIS PROPOSAL IS IN RESPONSE TO PROGRAM ANNOUNCEMENT NUMBER, PRIME-01-3 DUE June 28, 2000, AT 4:00 P.M., EASTERN STANDARD TIME, AT THE U.S. SMALL BUSINESS ADMINISTRATION, OFFICE OF PROCUREMENT & GRANTS MANAGEMENT, 409 3RD STREET, SW, 5TH FLOOR, WASHINGTON, DC 20416, ATTENTION: MINA BOOKHARD.
2. Application. Please submit an original and 2 copies of the pages described below in items a and b. They are part of the Announcement and should be completed and submitted with an original and 2 copies of your proposal:
 - a. The Federal Assistance Application (Standard Form 424), including the cost and technical proposals, and related budgetary data.
 - b. Appendix B, Assurances and Certifications (with appropriate signature).
3. To facilitate review and processing of the proposals, your submission must be arranged, as follows, in two separately bound parts:
 - a. Part I: COST PROPOSAL – This part is to be comprised of the Application, the Budget Information, and the Assurances and Certifications. The material identified as Part I must be bound separately from the Technical Proposal. DO NOT include any technical information in Part I, The Cost Proposal.
 - b. Part II: TECHNICAL PROPOSAL – This part is comprised of the Program Narrative. The proposal should be completed with a table of contents and must be responsive to the evaluation criteria set forth on the pages 19-20. The Technical Proposal must be bound separately from Section I and must not exceed 45 pages. DO NOT include any cost information in Part II, The Technical Proposal.
4. Your application should be submitted in original and 2 copies to:

U.S. Small Business Administration
Office of Procurement and Grants Management
409 Third Street, SW, 5th Floor
Washington, DC 20416
ATTN: Mina Bookhard

XII. LATE SUBMISSION, MODIFICATION, REVISION AND WITHDRAWAL of PROPOSALS

1. Applicants are responsible for submitting proposals and any modifications or revisions so as to reach the Office of Procurement and Grants Management by 4:00PM on June 28, 2001. Any proposals, modifications, or revisions received at the Office of Procurement and Grants Management after 4:00PM on June 28, 2001 will be “late” and will not be considered unless it is received before an award is made, the Grants Management Officer determines that accepting the late proposal would not unduly delay the making of grants; AND:
 - a. There is acceptable evidence to establish that it was received at the Office of Procurement and Grants Management and was under that office’s control prior to 4:00PM, June 28, 2001; or
 - b. It is the only proposal received.
 - c. However, a late modification of an otherwise successful proposal that makes its terms more favorable to the Government, will be considered at any time it is received and may be accepted.
 - d. Acceptable evidence to establish the time of receipt at the Office of Procurement and Grants Management includes the time/date stamp of that installation on the proposal wrapper, other documentary evidence of receipt as may be maintained, or oral testimony or statements of Government personnel.
 - e. If an emergency or unanticipated event interrupts normal Government processes so that proposals cannot be received at the Office of Procurement and Grants Management by the exact time specified in this proposal, and urgent Government requirements preclude amendment of the solicitation, the time specified for receipt of proposals will be deemed to be extended to the same time of day on the first work day on which normal Government processes resume.
2. Proposals may be withdrawn by written notice received at any time before the award. Proposals may be withdrawn in person by an applicant or an authorized representative, if the identity of the person requesting withdrawal is established and the person signs a receipt for the proposal before award.
3. Applicants shall submit proposals in response to this Program Announcement in English and in U.S. dollars.
4. Applicants may submit modifications to their proposals at any time before 4:00PM, June 28, 2001 and may submit modifications in response to an amendment, or to correct a mistake at any time before award.
5. Applicants may submit revised proposals only if allowed by the Contracting Officer.

6. Proposals may be withdrawn at any time before award. Withdrawals are effective upon receipt of notice by the Contracting Officer.

XIII. UNSUCCESSFUL APPLICANTS

After a decision has been reached and if your proposal is not successful, you will receive written notification. This written notice will be SBA's final response to this program announcement. SBA will not provide debriefing sessions if your proposal was not successful.

XIV. CANCELLATION

SBA reserves the right to cancel this announcement in whole or in part at the Agency's discretion.

XV. GLOSSARY OF TERMS

- **ADMINISTRATION**: Means the U.S. Small Business Administration (SBA);
- **ADMINISTRATOR**: Means the Administrator of the Small Business Administration;
- **CAPACITY BUILDING SERVICES**: means services provided to an organization or program that is, or is developing as, a microenterprise development organization or program, for the purpose of enhancing its ability to provide training and services to disadvantaged entrepreneurs;
- **COLLABORATIVE**: means two or more nonprofit entities that agree to act jointly as a qualified organization under this part;
- **DISADVANTAGED ENTREPRENEUR, or DISADVANTAGED MICROENTREPRENEUR**: means the owner, majority owner, or developer of a microenterprise who is also-
 1. a low-income person
 2. a very low-income person; or
 3. an entrepreneur who lacks adequate access to capital or other resources essential for business success, or, is economically disadvantaged as determined by the Administrator.
- **GRANTEE**: means a recipient of a grant under the Act.
- **GROUP**: has the same meaning as "collaborative" defined above.
- **INDIAN TRIBE**: means any Indian tribe, band, pueblo, nation, or other organized group or community, including any Alaska Native village or regional or village corporation, as defined in or established pursuant to the Alaska Native Claims Settlement Act, which is recognized as eligible for the special programs and services the United States provides to Indians because of their status as Indians.
- **INDIAN TRIBE JURISDICTION**: means Indian country, as defined in 18 U.S.C. § 1151, and any other lands, title to which is either held by the United States in trust for the benefit of any Indian tribe or individual or held by any tribe or individual subject to a restriction by the United States against alienation, and any land held by Alaska Native groups, regional corporations, and village corporations, as defined in or established under the Alaska Native

Claims Settlement Act, public domain Indian allotments, and former Indian reservations in the State of Oklahoma.

- **INTERMEDIARY**: means a private, nonprofit entity that seeks to serve qualified microenterprise development organizations and programs;
- **LARGE MICROENTERPRISE DEVELOPMENT ORGANIZATION OR PROGRAM**: means a microenterprise development organization or program with 10 or more full time employees or equivalents, including its executive director, as of the date it files its application with SBA for a PRIME grant.
- **LOCAL COMMUNITY**: means an identifiable area and population constituting a political subdivision of a state.
- **LOW-INCOME PERSON**: means a person having an income, adjusted for family size, of not more than—
 - 1) for metropolitan areas, the greater of 80 percent of the median income; and
 - 2) for non-metropolitan areas, the greater of—
 - a) 80 percent of the area median income; or
 - b) 80 percent of the statewide non-metropolitan area median income;
- **MICROENTREPRENEUR**: means the owner or developer of a microenterprise;
- **MICROENTERPRISE**: means a sole proprietorship, partnership, limited liability corporation or corporation that has fewer than 5 employees, including the owner, and generally lacks access to conventional loans, equity, or other banking services.
- **MICROENTERPRISE DEVELOPMENT ORGANIZATION OR PROGRAM**: means a nonprofit entity, or a program administered by such an entity, including community development corporations or other nonprofit development organizations and social service organizations, that provides services to disadvantaged entrepreneurs.
- **QUALIFIED ORGANIZATION**: means an organization eligible for a PRIME grant that is –
 1. a microenterprise development organization or program as defined above (or a group or collaborative thereof) that has demonstrated a record of delivering microenterprise services to disadvantaged microentrepreneurs;
 2. an intermediary, as defined above;
 3. a microenterprise development organization or program as defined above that is accountable to a local community, working with a State or local government or Indian tribe; or
 4. an Indian tribe acting on its own, if the Indian tribe can certify that no private organization referred to in this definition exists within its jurisdiction.
- **SEVERE CONSTRAINTS ON AVAILABLE SOURCES OF MATCHING FUNDS**: means the documented inability of a qualified organization applying for a PRIME grant to raise matching funds or in-kind resources from non-Federal sources during the 2 years immediately prior to the date of its application because of a lack of or increased scarcity of monetary or in-kind resources from potential non-Federal sources.
- **SMALL MICROENTERPRISE DEVELOPMENT ORGANIZATION OR PROGRAM**: means a microenterprise development organization or program with less than 10 full time employees or equivalents, including its executive director, as of the date it files its application with SBA for a PRIME grant.
- **TRAINING AND TECHNICAL ASSISTANCE**: means services and support provided to disadvantaged entrepreneurs, such as assistance for the purpose of enhancing business

planning, marketing, management, financial management skills, and assistance for the purpose of accessing financial services.

- **VERY PERSON:** means having an income adjusted for family size of not more than 150 percent of the poverty line (as defined in § 673(2) of the Community Services Block Grant Act (42 U.S.C. § 9902(2)), including any revision required by that section).

XVI. PAPERWORK REDUCTION ACT (44 U.S.C. Ch. 35)

The information being requested in this Program Announcement is needed to evaluate applicants and ensure that awards are made in furtherance of the PRIME program's objectives. The information will be used to grant awards to provide training and technical assistance to disadvantaged microentrepreneurs. Applicants' responses to the data collection requirements are necessary for them to receive a benefit under the PRIME Program. The information provided by applicants will be kept confidential to the extent required by law. Applicants are not required to respond to the Program Announcement unless it displays a currently valid OMB number. SBA estimates it will take applicants 80 hours to respond.

XVII. PRIVACY ACT (5 U.S.C. §552A)

Any person can request to see or get copies of any personal information that SBA has in the requestor's file, when that file is retrieved by individual identifiers, such as name or social security number. Requests for information about another party may be denied unless SBA has the written permission of the individual to release the information to the requestor or unless the information is subject to disclosure under the Freedom of Information Act ("FOIA").

Note: Any person concerned with the collection, use and disclosure of information, under the Privacy Act may contact the Chief, Freedom of Information/Privacy Act Office, U.S. Small Business Administration, Suite 5900, 409 Third Street, SW, Washington, DC 20416, for information about the Agency's procedures relating to the Privacy Act and FOIA.